

## Calendar No. 238

107TH CONGRESS  
1ST SESSION**S. 1732**

To provide incentives for an economic recovery and relief for victims of terrorism, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 27, 2001

Mr. DASCHLE introduced the following bill; which was read the first time

NOVEMBER 28, 2001

Read the second time and placed on the calendar

**A BILL**

To provide incentives for an economic recovery and relief for victims of terrorism, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Economic Recovery and Assistance for American Work-  
6       ers Act of 2001”.

7       (b) TABLE OF CONTENTS.—The table of contents of  
8       this Act is as follows:

Sec. 1. Short title; table of contents.

## TITLE I—TEMPORARY ENHANCED UNEMPLOYMENT BENEFITS

- Sec. 101. Short title.  
 Sec. 102. Federal-State agreements.  
 Sec. 103. Temporary supplemental unemployment compensation account.  
 Sec. 104. Payments to States having agreements under this title.  
 Sec. 105. Financing provisions.  
 Sec. 106. Fraud and overpayments.  
 Sec. 107. Definitions.  
 Sec. 108. Applicability.  
 Sec. 109. Rule of construction regarding changes to State law.

## TITLE II—HEALTH INSURANCE COVERAGE OPTIONS FOR RECENTLY UNEMPLOYED INDIVIDUALS AND THEIR FAMILIES

- Sec. 201. Premium assistance for COBRA continuation coverage for individuals and their families.  
 Sec. 202. State option to provide temporary medicaid coverage for certain uninsured individuals.  
 Sec. 203. State option to provide temporary coverage under medicaid for the unsubsidized portion of COBRA continuation premiums.  
 Sec. 204. Temporary increases of medicaid FMAP for fiscal year 2002.  
 Sec. 205. Definitions.

# 1 **TITLE I—TEMPORARY EN-** 2 **HANCED UNEMPLOYMENT** 3 **BENEFITS**

## 4 **SEC. 101. SHORT TITLE.**

5 This title may be cited as the “Temporary Unemploy-  
 6 ment Compensation Act of 2001”.

## 7 **SEC. 102. FEDERAL-STATE AGREEMENTS.**

8 (a) IN GENERAL.—Any State which desires to do so  
 9 may enter into and participate in an agreement under this  
 10 title with the Secretary of Labor (in this title referred to  
 11 as the “Secretary”). Any State which is a party to an  
 12 agreement under this title may, upon providing 30 days’  
 13 written notice to the Secretary, terminate such agreement.

14 (b) PROVISIONS OF AGREEMENT.—

1           (1) IN GENERAL.—Any agreement under sub-  
2           section (a) shall provide that the State agency of the  
3           State will make—

4                   (A) payments of temporary enhanced reg-  
5           ular unemployment compensation to individuals;  
6           and

7                   (B) payments of temporary supplemental  
8           unemployment compensation to individuals  
9           who—

10                   (i) have—

11                           (I) exhausted all rights to regular  
12                           compensation under the State law (or,  
13                           as the case may be, all rights to tem-  
14                           porary enhanced regular unemploy-  
15                           ment compensation); or

16                           (II) received 26 weeks of regular  
17                           compensation under the State law (or,  
18                           as the case may be, 26 weeks of tem-  
19                           porary enhanced regular unemploy-  
20                           ment compensation);

21                   (ii) do not have any rights to regular  
22           compensation under the State law of any  
23           other State (or to temporary enhanced reg-  
24           ular unemployment compensation); and

1 (iii) are not receiving compensation  
 2 under the unemployment compensation law  
 3 of any other country.

4 (2) TEMPORARY ENHANCED REGULAR UNEM-  
 5 PLOYMENT COMPENSATION DEFINED.—For purposes  
 6 of this title, the term “temporary enhanced regular  
 7 unemployment compensation” means compensation  
 8 in amounts and to the extent that regular compensa-  
 9 tion would be determined if the State law was ap-  
 10 plied with the following 3 conditions:

11 (A) ALTERNATIVE BASE PERIOD.—An in-  
 12 dividual shall be eligible for regular compensa-  
 13 tion if the individual would be so eligible, deter-  
 14 mined by applying—

15 (i) the base period that would other-  
 16 wise apply under the State law if this title  
 17 had not been enacted; or

18 (ii) a base period ending at the close  
 19 of the calendar quarter most recently com-  
 20 pleted before the date of the individual’s  
 21 application for benefits, provided that wage  
 22 data for that quarter has been reported to  
 23 the State or supplied to the State agency  
 24 on behalf of the individual;

25 whichever results in the greater amount.

(B) PART-TIME EMPLOYMENT.—An individual shall not be denied regular compensation under the State law’s provisions relating to availability for work, active search for work, or refusal to accept work, solely by virtue of the fact that such individual is seeking, or is available for, only part-time (and not full-time) work, if—

(i) the individual’s employment on which eligibility for the regular compensation is based was part-time employment; or

(ii) the individual can show good cause for seeking, or being available for, only part-time (and not full-time) work.

(C) INCREASED BENEFITS.—

(i) IN GENERAL.—The amount of regular compensation (including dependents’ allowances) payable for any week shall be equal to the amount determined under the State law (before the application of this subparagraph), plus an amount equal to the greater of—

(I) 15 percent of the amount so

determined; or

(II) \$25.

1 (ii) ROUNDING.—For purposes of de-  
 2 termining the amount under clause (i)(I),  
 3 such amount shall be rounded to the dollar  
 4 amount specified under State law.

5 (c) NONREDUCTION RULE.—Under the agreement,  
 6 subsection (b)(2)(C) shall not apply (or shall cease to  
 7 apply) with respect to a State upon a determination by  
 8 the Secretary that the method governing the computation  
 9 of regular compensation under the State law of that State  
 10 has been modified in a way such that the average weekly  
 11 amount of regular compensation which will be payable  
 12 during the period of the agreement (determined dis-  
 13 regarding any temporary enhanced regular unemployment  
 14 compensation) will be less than the average weekly amount  
 15 of regular compensation which would otherwise have been  
 16 payable during such period under the State law, as in ef-  
 17 fect on September 11, 2001.

18 (d) COORDINATION RULES.—

19 (1) REGULAR COMPENSATION PAYABLE UNDER  
 20 A FEDERAL LAW.—The conditions described in sub-  
 21 paragraphs (A), (B), and (C) of subsection (b)(2)  
 22 shall also apply in determining the amount of bene-  
 23 fits payable under any Federal law to the extent  
 24 that those benefits are determined by reference to

1 regular compensation payable under the State law of  
2 the State involved.

3 (2) TEMPORARY SUPPLEMENTAL UNEMPLOY-  
4 MENT COMPENSATION TO SERVE AS SECOND-TIER  
5 BENEFITS.—Notwithstanding any other provision of  
6 law, neither regular compensation, temporary en-  
7 hanced regular unemployment compensation, ex-  
8 tended compensation, nor additional unemployment  
9 compensation under any Federal or State law shall  
10 be payable to any individual for any week for which  
11 temporary supplemental unemployment compensa-  
12 tion is payable to such individual.

13 (3) TREATMENT OF OTHER UNEMPLOYMENT  
14 COMPENSATION.—After the date on which a State  
15 enters into an agreement under this title, any reg-  
16 ular compensation (or, as the case may be, tem-  
17 porary enhanced regular unemployment compensa-  
18 tion) in excess of 26 weeks, any extended compensa-  
19 tion, and any additional compensation under any  
20 Federal or State law shall be payable to an indi-  
21 vidual in accordance with the State law after such  
22 individual has exhausted any rights to temporary  
23 supplemental unemployment compensation under the  
24 agreement.

1 (e) EXHAUSTION OF BENEFITS.—For purposes of  
 2 subsection (b)(1)(B)(i)(I), an individual shall be consid-  
 3 ered to have exhausted such individual's rights to regular  
 4 compensation (or, as the case may be, rights to temporary  
 5 enhanced regular unemployment compensation) under a  
 6 State law when—

7 (1) no payments of regular compensation can  
 8 be made under such law because the individual has  
 9 received all such compensation available to the indi-  
 10 vidual based on employment or wages during the in-  
 11 dividual's base period; or

12 (2) the individual's rights to such compensation  
 13 have been terminated by reason of the expiration of  
 14 the benefit year with respect to which such rights  
 15 existed.

16 (f) WEEKLY BENEFIT AMOUNT, TERMS AND CONDI-  
 17 TIONS, ETC. RELATING TO TEMPORARY SUPPLEMENTAL  
 18 UNEMPLOYMENT COMPENSATION.—For purposes of any  
 19 agreement under this title—

20 (1) the amount of temporary supplemental un-  
 21 employment compensation which shall be payable to  
 22 an individual for any week of total unemployment  
 23 shall be equal to—

24 (A) the amount of regular compensation  
 25 (including dependents' allowances) payable to



1           such individual under the State law for a week  
2           for total unemployment during such individual's  
3           benefit year; plus

4           (B) the amount of any temporary en-  
5           hanced regular unemployment compensation  
6           payable to such individual for a week for total  
7           unemployment during such individual's benefit  
8           year;

9           (2) the terms and conditions of the State law  
10          which apply to claims for regular compensation and  
11          to the payment thereof shall apply to claims for tem-  
12          porary supplemental unemployment compensation  
13          and the payment thereof, except where inconsistent  
14          with the provisions of this title or with the regula-  
15          tions or operating instructions of the Secretary pro-  
16          mulgated to carry out this title; and

17          (3) the maximum amount of temporary supple-  
18          mental unemployment compensation payable to any  
19          individual for whom a temporary supplemental un-  
20          employment compensation account is established  
21          under section 103 shall not exceed the amount es-  
22          tablished in such account for such individual.

1 **SEC. 103. TEMPORARY SUPPLEMENTAL UNEMPLOYMENT**  
2 **COMPENSATION ACCOUNT.**

3 (a) IN GENERAL.—Any agreement under this title  
4 shall provide that the State will establish, for each eligible  
5 individual who files an application for temporary supple-  
6 mental unemployment compensation, a temporary supple-  
7 mental unemployment compensation account.

8 (b) AMOUNT IN ACCOUNT.—

9 (1) IN GENERAL.—The amount established in  
10 an account under subsection (a) shall be equal to the  
11 greater of—

12 (A) 50 percent of—

13 (i) the total amount of regular com-  
14 pensation (including dependents' allow-  
15 ances) payable to the individual during the  
16 individual's benefit year under such law;  
17 plus

18 (ii) the amount of any temporary en-  
19 hanced regular unemployment compensa-  
20 tion payable to the individual during the  
21 individual's benefit year; or

22 (B) 13 times the individual's weekly ben-  
23 efit amount.

24 (2) WEEKLY BENEFIT AMOUNT.—For purposes  
25 of paragraph (1)(B), an individual's weekly benefit  
26 amount for any week is an amount equal to—

1 (A) the amount of regular compensation  
 2 (including dependents' allowances) under the  
 3 State law payable to the individual for such  
 4 week for total unemployment; plus

5 (B) the amount of any temporary en-  
 6 hanced regular unemployment compensation  
 7 payable to the individual for such week for total  
 8 unemployment.

9 **SEC. 104. PAYMENTS TO STATES HAVING AGREEMENTS**  
 10 **UNDER THIS TITLE.**

11 (a) GENERAL RULE.—There shall be paid to each  
 12 State which has entered into an agreement under this title  
 13 an amount equal to—

14 (1) 100 percent of any temporary enhanced reg-  
 15 ular unemployment compensation made payable to  
 16 individuals by such State by virtue of the conditions  
 17 which are described in section 102(b)(2) and deemed  
 18 to be in effect with respect to such State pursuant  
 19 to such section;

20 (2) 100 percent of any regular compensation—

21 (A) which is paid to individuals by such  
 22 State by reason of the fact that its State law  
 23 contains provisions comparable to the condi-  
 24 tions described in subparagraphs (A) and (B)  
 25 of section 102(b)(2); but only

1 (B) to the extent that those amounts  
2 would, if such amounts were instead payable by  
3 virtue of the State law's being deemed to be in  
4 compliance with such conditions pursuant to  
5 such section, have been reimbursable under  
6 paragraph (1); and

7 (3) 100 percent of the temporary supplemental  
8 unemployment compensation paid to individuals by  
9 the State pursuant to such agreement.

10 (b) DETERMINATION OF AMOUNT.—Sums under sub-  
11 section (a) payable to any State by reason of such State  
12 having an agreement under this title shall be payable, ei-  
13 ther in advance or by way of reimbursement (as may be  
14 determined by the Secretary), in such amounts as the Sec-  
15 retary estimates the State will be entitled to receive under  
16 this title for each calendar month, reduced or increased,  
17 as the case may be, by any amount by which the Secretary  
18 finds that the Secretary's estimates for any prior calendar  
19 month were greater or less than the amounts which should  
20 have been paid to the State. Such estimates may be made  
21 on the basis of such statistical, sampling, or other method  
22 as may be agreed upon by the Secretary and the State  
23 agency of the State involved.

24 (c) ADMINISTRATIVE EXPENSES, ETC.—There is  
25 hereby appropriated, without fiscal year limitation, out of

1 the employment security administration account of the  
2 Unemployment Trust Fund (as established by section  
3 901(a) of the Social Security Act (42 U.S.C. 1101(a)))  
4 \$500,000,000 to reimburse States for the costs of the ad-  
5 ministration of agreements under this title (including any  
6 improvements in technology in connection therewith) and  
7 to provide reemployment services to unemployment com-  
8 pensation claimants in States having agreements under  
9 this title. Each State's share of the amount appropriated  
10 by the preceding sentence shall be determined by the Sec-  
11 retary according to the factors described in section 302(a)  
12 of the Social Security Act (42 U.S.C. 501(a)) and certified  
13 by the Secretary to the Secretary of the Treasury.

14 **SEC. 105. FINANCING PROVISIONS.**

15 (a) IN GENERAL.—Funds in the extended unemploy-  
16 ment compensation account (as established by section  
17 905(a) of the Social Security Act (42 U.S.C. 1105(a))),  
18 and the Federal unemployment account (as established by  
19 section 904(g) of such Act (42 U.S.C. 1104(g))), of the  
20 Unemployment Trust Fund (as established by section  
21 904(a) of such Act (42 U.S.C. 1104(a))) shall be used,  
22 in accordance with subsection (b), for the making of pay-  
23 ments (described in section 104(a)) to States having  
24 agreements entered into under this title.

1       (b) CERTIFICATION.—The Secretary shall from time  
2 to time certify to the Secretary of the Treasury for pay-  
3 ment to each State the sums described in section 104(a)  
4 which are payable to such State under this title. The Sec-  
5 retary of the Treasury, prior to audit or settlement by the  
6 General Accounting Office, shall make payments to the  
7 State in accordance with such certification by transfers  
8 from the extended unemployment compensation account,  
9 as so established (or, to the extent that there are insuffi-  
10 cient funds in that account, from the Federal unemploy-  
11 ment account, as so established) to the account of such  
12 State in the Unemployment Trust Fund (as so estab-  
13 lished).

14 **SEC. 106. FRAUD AND OVERPAYMENTS.**

15       (a) IN GENERAL.—If an individual knowingly has  
16 made, or caused to be made by another, a false statement  
17 or representation of a material fact, or knowingly has  
18 failed, or caused another to fail, to disclose a material fact,  
19 and as a result of such false statement or representation  
20 or of such nondisclosure such individual has received any  
21 temporary enhanced regular unemployment compensation  
22 or temporary supplemental unemployment compensation  
23 under this title to which such individual was not entitled,  
24 such individual—

1           (1) shall be ineligible for any further benefits  
2       under this title in accordance with the provisions of  
3       the applicable State unemployment compensation  
4       law relating to fraud in connection with a claim for  
5       unemployment compensation; and

6           (2) shall be subject to prosecution under section  
7       1001 of title 18, United States Code.

8       (b) REPAYMENT.—In the case of individuals who  
9       have received any temporary enhanced regular unemploy-  
10      ment compensation or temporary supplemental unemploy-  
11      ment compensation under this title to which such individ-  
12      uals were not entitled, the State shall require such individ-  
13      uals to repay those benefits to the State agency, except  
14      that the State agency may waive such repayment if it de-  
15      termines that—

16           (1) the payment of such benefits was without  
17      fault on the part of any such individual; and

18           (2) such repayment would be contrary to equity  
19      and good conscience.

20      (c) RECOVERY BY STATE AGENCY.—

21           (1) IN GENERAL.—The State agency may re-  
22      cover the amount to be repaid, or any part thereof,  
23      by deductions from any regular compensation, tem-  
24      porary enhanced regular unemployment compensa-  
25      tion, or temporary supplemental unemployment com-

1       pensation payable to such individual under this title  
2       or from any unemployment compensation payable to  
3       such individual under any Federal unemployment  
4       compensation law administered by the State agency  
5       or under any other Federal law administered by the  
6       State agency which provides for the payment of any  
7       assistance or allowance with respect to any week of  
8       unemployment, during the 3-year period after the  
9       date such individuals received the payment of the  
10      temporary enhanced regular unemployment com-  
11      pensation or temporary supplemental unemployment  
12      compensation to which such individuals were not en-  
13      titled, except that no single deduction may exceed  
14      50 percent of the weekly benefit amount from which  
15      such deduction is made.

16           (2) OPPORTUNITY FOR HEARING.—No repay-  
17      ment shall be required, and no deduction shall be  
18      made, until a determination has been made, notice  
19      thereof and an opportunity for a fair hearing has  
20      been given to the individual, and the determination  
21      has become final.

22           (d) REVIEW.—Any determination by a State agency  
23      under this section shall be subject to review in the same  
24      manner and to the same extent as determinations under



1 the State unemployment compensation law, and only in  
2 that manner and to that extent.

3 **SEC. 107. DEFINITIONS.**

4 In this title the terms “compensation”, “regular com-  
5 pensation”, “extended compensation”, “additional com-  
6 pensation”, “benefit year”, “base period”, “State”, “State  
7 agency”, “State law”, and “week” have the respective  
8 meanings given such terms under section 205 of the Fed-  
9 eral-State Extended Unemployment Compensation Act of  
10 1970.

11 **SEC. 108. APPLICABILITY.**

12 (a) IN GENERAL.—An agreement entered into under  
13 this title shall apply to weeks of unemployment—

14 (1) beginning after the date on which such  
15 agreement is entered into; and

16 (2) ending before January 1, 2003.

17 (b) SPECIFIC RULES.—

18 (1) IN GENERAL.—Under such an agreement,  
19 the following rules shall apply:

20 (A) ALTERNATIVE BASE PERIODS.—

21 (i) APPLICABILITY.—The payment of  
22 temporary enhanced regular unemployment  
23 compensation by reason of the condition  
24 described in section 102(b)(2)(A) (relating  
25 to alternative base periods) shall not apply

except in the case of initial claims filed on or after the first day of the week that includes September 11, 2001.

(ii) NONRETROACTIVITY.—The weekly benefit amount payable with respect to weeks of regular compensation and temporary supplemental unemployment compensation shall not be recalculated as a result of the application of the condition described in clause (i) with respect to an individual who was receiving any unemployment compensation as of the date on which the State enters into such an agreement.

(B) PART-TIME EMPLOYMENT AND INCREASED BENEFITS.—The payment of temporary enhanced regular unemployment compensation by reason of the conditions described in subparagraphs (B) and (C) of section 102(b)(2) (relating to part-time employment and increased benefits, respectively) shall apply to weeks of unemployment described in subsection (a), regardless of the date on which an individual's initial claim for benefits is filed.

(C) ELIGIBILITY FOR TEMPORARY SUPPLEMENTAL UNEMPLOYMENT COMPENSATION.—

1       The payment of temporary supplemental unem-  
 2       ployment compensation pursuant to section  
 3       102(b)(1)(B) shall not apply except in the case  
 4       of individuals who meet either the condition de-  
 5       scribed in subclause (I) or subclause (II) of  
 6       clause (i) of such section on or after the first  
 7       day of the week that includes September 11,  
 8       2001.

9       (2) REAPPLICATION PROCESS.—

10       (A) ALTERNATIVE BASE PERIODS.—In the  
 11       case of an individual who filed an initial claim  
 12       for regular compensation on or after the first  
 13       day of the week that includes September 11,  
 14       2001, and before the date that the State en-  
 15       tered into an agreement under subsection (a)(1)  
 16       that was denied as a result of the application  
 17       of the base period that applied under the State  
 18       law prior to the date on which the State entered  
 19       into the such agreement, such individual—

20               (i) may refile a claim for temporary  
 21       enhanced regular unemployment compensa-  
 22       tion based on the condition described in  
 23       section 102(b)(2)(A) (relating to alter-  
 24       native base periods) on or after the date on  
 25       which the State enters into such agreement

1 and before the date on which such agree-  
2 ment terminates; and

3 (ii) if eligible, shall be entitled to such  
4 compensation only for weeks of unemploy-  
5 ment described in subsection (a) beginning  
6 on or after the date on which the indi-  
7 vidual files such claim.

8 (B) PART-TIME EMPLOYMENT.—In the  
9 case of an individual who before the date that  
10 the State entered into an agreement under sub-  
11 section (a)(1) was denied regular compensation  
12 under the State law's provisions relating to  
13 availability for work, active search for work, or  
14 refusal to accept work, solely by virtue of the  
15 fact that such individual is seeking, or available  
16 for, only part-time (and not full-time) work,  
17 such individual—

18 (i) may refile a claim for temporary  
19 enhanced regular unemployment compensa-  
20 tion based on the condition described in  
21 section 102(b)(2)(B) (relating to part-time  
22 employment) on or after the date on which  
23 the State enters into the agreement under  
24 subsection (a)(1) and before the date on  
25 which such agreement terminates; and

1 (ii) if eligible, shall be entitled to such  
2 compensation only for weeks of unemploy-  
3 ment described in subsection (a) beginning  
4 on or after the date on which the indi-  
5 vidual files such claim.

6 (3) NO RETROACTIVE PAYMENTS FOR WEEKS  
7 PRIOR TO AGREEMENT.—No amounts shall be pay-  
8 able to an individual under an agreement entered  
9 into under this title for any week of unemployment  
10 prior to the week beginning after the date on which  
11 such agreement is entered into.

12 **SEC. 109. RULE OF CONSTRUCTION REGARDING CHANGES**  
13 **TO STATE LAW.**

14 Nothing in this title shall be construed as requiring  
15 a State to modify the laws of such State in order to enter  
16 into an agreement under this title or to comply with the  
17 provisions of the agreement described in section 102(b).

1 **TITLE II—HEALTH INSURANCE**  
2 **COVERAGE OPTIONS FOR RE-**  
3 **CENTLY UNEMPLOYED INDIVIDUALS**  
4 **AND THEIR FAMILIES**  
5 **LIES**

6 **SEC. 201. PREMIUM ASSISTANCE FOR COBRA CONTINU-**  
7 **ATION COVERAGE FOR INDIVIDUALS AND**  
8 **THEIR FAMILIES.**

9 (a) ESTABLISHMENT.—

10 (1) IN GENERAL.—Not later than 30 days after  
11 the date of enactment of this Act, the Secretary of  
12 the Treasury, in consultation with the Secretary of  
13 Labor, shall establish a program under which 75  
14 percent of the premium for COBRA continuation  
15 coverage shall be provided for an individual who—

16 (A) at any time during the period that be-  
17 gins on September 11, 2001, and ends on De-  
18 cember 31, 2002, is separated from employ-  
19 ment; and

20 (B) is eligible for, and has elected coverage  
21 under, COBRA continuation coverage.

22 (2) INCLUSION OF CERTAIN OTHER INDIVID-  
23 UALS.—

24 (A) IN GENERAL.—For purposes of para-  
25 graph (1), the spouse, child, or other individual

1           who was an insured under health insurance cov-  
2           erage of an individual who was killed as a result  
3           of the terrorist-related aircraft crashes on Sep-  
4           tember 11, 2001, or as a result of any other  
5           terrorist-related event occurring during the pe-  
6           riod described in that paragraph, and who is el-  
7           igible for, and has elected coverage under,  
8           COBRA continuation coverage shall be eligible  
9           for premium assistance under the program es-  
10          tablished under this section.

11           (B) OTHER INDIVIDUALS.—For purposes  
12          of paragraph (1), an individual who, at any  
13          time during the period described in paragraph  
14          (1)(A)—

15               (i) elects to take a voluntary leave  
16               program offered by their employer after  
17               the employer has announced that employee  
18               separations will occur as a result of the  
19               terrorist-related aircraft crashes on Sep-  
20               tember 11, 2001, or as a result of any  
21               other terrorist-related event occurring dur-  
22               ing the period described in that paragraph;

23               (ii) is eligible under such voluntary  
24               leave program, and has elected, to continue  
25               their health insurance coverage under a

group health plan through payment of 100 percent of the premium for such coverage; and

(iii) is not eligible for COBRA continuation coverage,

shall be eligible for premium assistance for 75 percent of the premium for such health insurance coverage under the program established under this section in the same manner as an individual who is eligible for premium assistance under this section for COBRA continuation coverage.

(3) TEMPORARY EXTENSION OF ELECTION PERIOD FOR CERTAIN SEPARATED INDIVIDUALS.—Notwithstanding any other provision of law, the election period for COBRA continuation coverage with respect to any individual who meets the requirements of paragraph (1)(A), but for whom such period has expired as of the date of the enactment of this Act, shall not end before the date that is 60 days after the date the individual receives the supplemental notice required under subsection (g)(3).

(4) IMMEDIATE IMPLEMENTATION.—The program established under this section shall be implemented without regard to whether or not final regu-



1       lations to carry out such program have been promul-  
 2       gated by the date described in paragraph (1).

3       (b) LIMITATION OF PERIOD OF PREMIUM ASSIST-  
 4       ANCE.—

5           (1) IN GENERAL.—Premium assistance pro-  
 6       vided in accordance with this section shall end with  
 7       respect to an individual on the earlier of—

8           (A) the date the individual is no longer  
 9       covered under COBRA continuation coverage;  
 10       or

11          (B) 12 months after the date the indi-  
 12       vidual is first enrolled in the premium assist-  
 13       ance program established under this section.

14          (2) NO ASSISTANCE AFTER DECEMBER 31,  
 15       2002.—No premium assistance may be provided  
 16       under this section for any month beginning after  
 17       December 31, 2002.

18       (c) PAYMENT ARRANGEMENTS; CREDITING OF AS-  
 19       SISTANCE.—

20           (1) PROVISION OF ASSISTANCE.—

21           (A) DIRECT PAYMENT ARRANGEMENTS.—

22           (i) IN GENERAL.—Premium assistance  
 23       shall be provided under the program estab-  
 24       lished under this section through direct  
 25       payment arrangements with a group health

1 plan (including a multiemployer plan), an  
2 issuer of health insurance coverage, an ad-  
3 ministrator, an employer, or other entity,  
4 that collects the monthly premium for the  
5 COBRA continuation coverage for such in-  
6 dividual, as appropriate with respect to the  
7 individual provided such assistance.

8 (ii) IMMEDIATE, PROVISIONAL PAY-  
9 MENT OF ASSISTANCE.—Payment of such  
10 assistance shall commence beginning with  
11 the month in which the Secretary of the  
12 Treasury receives a copy of the eligibility  
13 and enrollment forms completed by the in-  
14 dividual in accordance with subsection (g).  
15 The payment of such assistance shall be  
16 subject to verification by the Secretary of  
17 the Treasury or the Secretary of Labor of  
18 the individual's eligibility for such assist-  
19 ance.

20 (B) ADVANCE PAYMENT; RETROSPECTIVE  
21 ADJUSTMENT.—The Secretary of the Treasury  
22 may make payments under this section for each  
23 month on the basis of advance estimates of the  
24 assistance to be provided under this section and  
25 such other investigation as the Secretary of the

1 Treasury may find necessary, and may reduce  
2 or increase the payments as necessary to adjust  
3 for any overpayment or underpayment for prior  
4 months.

5 (2) PREMIUMS PAYABLE BY INDIVIDUAL RE-  
6 DUCED BY AMOUNT OF ASSISTANCE.—Premium as-  
7 sistance provided under this section shall be credited  
8 by the group health plan, issuer of health insurance  
9 coverage, or an administrator against the premium  
10 otherwise owed by the individual involved for  
11 COBRA continuation coverage. Such coverage shall  
12 not be terminated based on a failure to pay the full  
13 amount of the monthly premium owed for the cov-  
14 erage if an individual is current with the non-sub-  
15 sidized portion of the monthly premium for the cov-  
16 erage.

17 (d) APPLICATION OF FRAUD PREVENTION PROVI-  
18 SIONS.—Sections 1128A and 1128B of the Social Security  
19 Act (42 U.S.C. 1320a–7a, 1320a–7b) shall apply to the  
20 provision of premium assistance under this section.

21 (e) LIMITATION ON ENTITLEMENT.—Nothing in this  
22 section shall be construed as establishing any entitlement  
23 of individuals described in paragraph (1) or (2) of sub-  
24 section (a) to premium assistance under this section.

1       (f) DISREGARD OF SUBSIDIES FOR PURPOSES OF  
 2 FEDERAL AND STATE PROGRAMS.—Notwithstanding any  
 3 other provision of law, any premium assistance provided  
 4 to, or on behalf of, an individual under this section, shall  
 5 not be considered income or resources in determining eligi-  
 6 bility for, or the amount of assistance or benefits provided  
 7 under, any other Federal public benefit or State or local  
 8 public benefit.

9       (g) IMPLEMENTATION REQUIREMENTS.—

10           (1) CHANGE IN COBRA NOTICE.—

11                   (A) IN GENERAL.—In the case of notices  
 12 provided under section 4980B(f)(6) of the In-  
 13 ternal Revenue Code of 1986, section 2206 of  
 14 the Public Health Service Act (42 U.S.C.  
 15 300bb–6), section 606 of the Employee Retire-  
 16 ment Income Security Act of 1974 (29 U.S.C.  
 17 1166), or section 8905a(f)(2)(A) of title 5,  
 18 United States Code, with respect to individuals  
 19 who, during the period described in subsection  
 20 (a)(1)(A), become entitled to elect COBRA con-  
 21 tinuation coverage, such notices shall include an  
 22 additional notification to the recipient of the  
 23 availability of premium assistance for such cov-  
 24 erage under this section and for temporary  
 25 medicaid assistance under section 203 for the

1 remaining portion of COBRA continuation pre-  
2 miums, in accordance with the requirements of  
3 this subsection.

4 (B) ALTERNATIVE NOTICE.—In the case of  
5 COBRA continuation coverage to which the no-  
6 tice provision under such sections does not  
7 apply, the Secretary of the Treasury, in con-  
8 sultation with the Secretary of Labor, shall, in  
9 coordination with administrators of the group  
10 health plans (or other entities) that provide or  
11 administer the COBRA continuation coverage  
12 involved, assure the provision of such notice.

13 (C) FORM.—The requirement of the addi-  
14 tional notification under this paragraph may be  
15 met by amendment of existing notice forms or  
16 by inclusion of a separate document with the  
17 notice otherwise required.

18 (2) SPECIFIC REQUIREMENTS.—Each additional  
19 notification under paragraph (1) shall include the  
20 following:

21 (A) The forms necessary for establishing  
22 eligibility and enrollment in the premium assist-  
23 ance program established under this section in  
24 connection with the COBRA continuation cov-

1 erage with respect to individuals described in  
2 paragraph (1) or (2) of subsection (a).

3 (B) The following displayed in a prominent  
4 manner:

5 (i) The name, address, and telephone  
6 number necessary to contact the employer,  
7 administrator, and any other person main-  
8 taining relevant information in connection  
9 with how to enroll for the premium assist-  
10 ance.

11 (ii) The toll-free telephone number  
12 and Internet website address established  
13 under paragraph (4)(A)(i).

14 (iii) The name, address, and telephone  
15 number for the group health plan (includ-  
16 ing a multiemployer plan), issuer of health  
17 insurance coverage, administrator, an em-  
18 ployer, or other entity (as appropriate with  
19 respect to the individual) that will collect  
20 the monthly premium for such coverage,  
21 specifying that the eligibility and enroll-  
22 ment forms are to be completed by the in-  
23 dividual and sent to such entity.

24 (iv) The following statement:

1        “You may be eligible to receive assistance with pay-  
 2        ment of 75 percent of your COBRA continuation coverage  
 3        premiums and with temporary medicaid coverage for the  
 4        remaining premium portion for a duration of not to exceed  
 5        12 months. This assistance will not be available after De-  
 6        cember 31, 2002. Return the enclosed eligibility and en-  
 7        rollment forms as soon as possible to the address speci-  
 8        fied.”.

9                    (C) The dollar amount equal to 25 percent  
 10                   of the monthly 2002 premium that would be  
 11                   owed during 2002 by each the individual for the  
 12                   coverage if the individual is eligible for, and en-  
 13                   rolls in, the program established under this sec-  
 14                   tion.

15                   (3) SUPPLEMENTAL NOTICE FOR INDIVIDUALS  
 16                   PREVIOUSLY PROVIDED NOTICE OR WHOSE ELEC-  
 17                   TION PERIOD IS TEMPORARILY EXTENDED.—In the  
 18                   case of such notices previously transmitted before  
 19                   the date of enactment of this Act in the case of an  
 20                   individual described in paragraph (1) or subsection  
 21                   (a)(2) who has elected (or is still eligible to elect, in-  
 22                   cluding as a result of subsection (a)(3)) COBRA  
 23                   continuation coverage as of the date of enactment of  
 24                   this Act, the employer, administrator, or other entity  
 25                   involved, or the Secretary of the Treasury, in con-

sultation with the Secretary of Labor, (in the case described in the paragraph (1)(B)) shall provide (within the period required under paragraph (4)(C)(i)) for the additional notification required to be provided under this subsection.

(4) REQUIRED TIMELINE.—

(A) SECRETARY OF LABOR.—Not later than 15 days after the date of enactment of this Act, the Secretary of Labor shall—

(i) establish a toll-free telephone number and an Internet website to provide information and answer inquiries about the program established under this section;

(ii) prescribe models for the additional notification required under this subsection and the forms necessary for establishing eligibility and enrollment in the program, in accordance with the requirements of this subsection; and

(iii) consult with the Secretary of the Treasury regarding the additional notification required for individuals described in paragraph (1)(B).

(B) SECRETARY OF THE TREASURY.—Not later than 15 days after the date of enactment



1 of this Act, the Secretary of the Treasury  
2 shall—

3 (i) notify each covered employer of the  
4 program established under this section and  
5 the additional notification required under  
6 this subsection;

7 (ii) make the model notification, and  
8 eligibility and enrollment forms prescribed  
9 by the Secretary of Labor under subpara-  
10 graph (A)(ii) available to each such cov-  
11 ered employer; and

12 (iii) provide, in consultation with the  
13 Secretary of Labor, the additional notifica-  
14 tion required for individuals described in  
15 paragraph (1)(B).

16 (C) COVERED EMPLOYERS.—Not later  
17 than 15 days after the model notification and  
18 eligibility and enrollment forms are made avail-  
19 able under subparagraph (B)(ii), each covered  
20 employer or their designee shall—

21 (i) provide the additional notification  
22 required under this subsection to the indi-  
23 viduals described in paragraph (3) (other  
24 than such individuals who are also de-  
25 scribed in paragraph (1)(B)); and

1                   (ii) be able to comply with such addi-  
 2                   tional notification requirement in the case  
 3                   of any individual described in paragraph  
 4                   (1)(A).

5                   (D) DEFINITION OF COVERED EM-  
 6                   PLOYER.—For purposes of this section, the  
 7                   term “covered employer” means, for any cal-  
 8                   endar year, any person on whom an excise tax  
 9                   is imposed under section 3111 or 1401 of the  
 10                  Internal Revenue Code of 1986 with respect to  
 11                  having an individual in the person’s employ to  
 12                  whom wages are paid by such person during  
 13                  such calendar year.

14           (h) REPORTS.—Beginning on January 1, 2002, and  
 15           every 3 months thereafter until January 1, 2003, the Sec-  
 16           retary of the Treasury shall submit a report to Congress  
 17           regarding the premium assistance program established  
 18           under this section that includes the following:

19                   (1) The status of the implementation of the  
 20                   program.

21                   (2) The number of individuals provided assist-  
 22                   ance under the program as of the date of the report.

23                   (3) The average dollar amount (monthly and  
 24                   annually) of the premium assistance provided under  
 25                   the program.

1           (4) The total amount of expenditures incurred  
 2           (with administrative expenditures noted separately)  
 3           under the program as of the date of the report.

4           (i) APPROPRIATION.—

5           (1) IN GENERAL.—Out of any funds in the  
 6           Treasury not otherwise appropriated, there is appro-  
 7           priated to carry out this section, such sums as are  
 8           necessary for each of fiscal years 2002 and 2003.

9           (2) OBLIGATION OF FUNDS.—This section con-  
 10          stitutes budget authority in advance of appropria-  
 11          tions Acts and represents the obligation of the Fed-  
 12          eral Government to provide for the payment of pre-  
 13          mium assistance under this section.

14          (j) SUNSET.—No premium assistance may be pro-  
 15          vided under this section for any month beginning after De-  
 16          cember 31, 2002.

17       **SEC. 202. STATE OPTION TO PROVIDE TEMPORARY MED-**  
 18                               **ICAID COVERAGE FOR CERTAIN UNINSURED**  
 19                               **INDIVIDUALS.**

20          (a) STATE OPTION.—Notwithstanding any other pro-  
 21          vision of law, a State may elect to provide under its med-  
 22          icaid program under title XIX of the Social Security Act  
 23          medical assistance in the case of an individual—

1           (1) who at any time during the period that be-  
 2           gins on September 11, 2001, and ends on December  
 3           31, 2002, is separated from employment;

4           (2) who is not eligible for COBRA continuation  
 5           coverage;

6           (3) who is uninsured; and

7           (4) whose assets, resources, and earned or un-  
 8           earned income (or both) do not exceed such limita-  
 9           tions (if any) as the State may establish.

10          (b) LIMITATION OF PERIOD OF COVERAGE.—Medical  
 11          assistance provided in accordance with this section shall  
 12          end with respect to an individual on the earlier of—

13               (1) the date the individual is no longer unin-  
 14               sured; or

15               (2) subject to subsection (c)(4), 12 months  
 16               after the date the individual first receives such as-  
 17               sistance.

18          (c) SPECIAL RULES.—In the case of medical assist-  
 19          ance provided under this section—

20               (1) the Federal medical assistance percentage  
 21               under section 1905(b) of the Social Security Act (42  
 22               U.S.C. 1396d(b)) shall be the enhanced FMAP (as  
 23               defined in section 2105(b) of such Act (42 U.S.C.  
 24               1397ee(b)));

1           (2) a State may elect to apply any income,  
2           asset, or resource limitation permitted under the  
3           State medicaid plan or under title XIX of such Act;

4           (3) the provisions of section 1916(g) of the So-  
5           cial Security Act (42 U.S.C. 1396o) shall apply to  
6           the provision of such assistance in the same manner  
7           as the provisions of such section apply with respect  
8           to individuals provided medical assistance only under  
9           subclause     (XV)     or     (XVI)     of     section  
10          1902(a)(10)(A)(ii)   of   such   Act   (42   U.S.C.  
11          1396a(a)(10)(A)(ii));

12          (4) a State may elect to provide such assistance  
13          in accordance with section 1902(a)(34) of the Social  
14          Security Act (42 U.S.C. 1396a(a)(34)) and any as-  
15          sistance provided with respect to a month described  
16          in that section shall not be included in the deter-  
17          mination of the 12-month period under subsection  
18          (b)(2);

19          (5) a State may elect to make eligible for such  
20          medical assistance a dependent spouse or children of  
21          an individual eligible for medical assistance under  
22          subsection (a), if such spouse or children are unin-  
23          sured;

24          (6) individuals eligible for medical assistance  
25          under this section shall be deemed to be described

1 in the list of individuals described in the matter pre-  
2 ceding paragraph (1) of section 1905(a) of such Act  
3 (42 U.S.C. 1396d(a));

4 (7) a State may elect to provide such medical  
5 assistance without regard to any limitation under  
6 sections 401(a), 402(b), 403, and 421 of the Per-  
7 sonal Responsibility and Work Opportunity Rec-  
8 onciliation Act of 1996 (8 U.S.C. 1611(a), 1612(b),  
9 1613, and 1631) and no debt shall accrue under an  
10 affidavit of support against any sponsor of an indi-  
11 vidual who is an alien who is provided such assist-  
12 ance, and the cost of such assistance shall not be  
13 considered as an unreimbursed cost; and

14 (8) the Secretary of Health and Human Serv-  
15 ices shall not count, for purposes of section 1108(f)  
16 of the Social Security Act (42 U.S.C. 1308(f)), such  
17 amount of payments under this section as bears a  
18 reasonable relationship to the average national pro-  
19 portion of payments made under this section for the  
20 50 States and the District of Columbia to the pay-  
21 ments otherwise made under title XIX for such  
22 States and District.

23 (d) SUNSET.—No medical assistance may be provided  
24 under this section for any month beginning after Decem-  
25 ber 31, 2002.

1 **SEC. 203. STATE OPTION TO PROVIDE TEMPORARY COV-**  
2 **ERAGE UNDER MEDICAID FOR THE UNSUB-**  
3 **SIDIZED PORTION OF COBRA CONTINUATION**  
4 **PREMIUMS.**

5 (a) STATE OPTION.—

6 (1) IN GENERAL.—Notwithstanding any other  
7 provision of law, a State may elect to provide under  
8 its medicaid program under title XIX of the Social  
9 Security Act medical assistance in the form of pay-  
10 ment for the portion of the premium for COBRA  
11 continuation coverage for which an individual does  
12 not receive a subsidy under the premium assistance  
13 program established under section 201 in the case of  
14 an individual—

15 (A) who at any time during the period that  
16 begins on September 11, 2001, and ends on De-  
17 cember 31, 2002, is separated from employ-  
18 ment;

19 (B) who is eligible for, and has elected cov-  
20 erage under, COBRA continuation coverage;

21 (C) who is receiving premium assistance  
22 under the program established under section  
23 201; and

24 (D) whose family income does not exceed  
25 200 percent of the poverty line.

1           (2) INCLUSION OF CERTAIN INDIVIDUALS.—For  
 2       purposes of paragraph (1), the spouse, child, or  
 3       other individual who was an insured under health in-  
 4       surance coverage of an individual who was killed as  
 5       a result of the terrorist-related aircraft crashes on  
 6       September 11, 2001, or as a result of any other ter-  
 7       rorist-related event occurring during the period de-  
 8       scribed in that paragraph, and who satisfies the re-  
 9       quirements of subparagraphs (B), (C), and (D) of  
 10      paragraph (1) shall be eligible for medical assistance  
 11      under this section.

12      (b) LIMITATION OF PERIOD OF COVERAGE.—Medical  
 13      assistance provided in accordance with this section shall  
 14      end with respect to an individual on the earlier of—

15           (1) the date the individual is no longer covered  
 16      under COBRA continuation coverage; or

17           (2) 12 months after the date the individual first  
 18      receives such assistance under this section.

19      (c) SPECIAL RULES.—In the case of medical assist-  
 20      ance provided under this section—

21           (1) such assistance may be provided without re-  
 22      gard to—

23           (A) whether the State otherwise has elect-  
 24      ed to make medical assistance available for  
 25      COBRA premiums under section



1           1902(a)(10)(F) of the Social Security Act (42  
2           U.S.C. 1396a(a)(10)(F)); or

3           (B) the conditions otherwise imposed for  
4           the provision of medical assistance for such  
5           COBRA premiums under clause (XII) of the  
6           matter following section 1902(a)(10)(G) of the  
7           Social Security Act (42 U.S.C.  
8           1396a(a)(10)(G)), or paragraphs (1)(B),  
9           (1)(C), (1)(D), and (4) of section 1902(u) of  
10          such Act (42 U.S.C. 1396a(u)); and

11          (2) paragraphs (1), (2), (4), (5), (7), and (8)  
12          of subsection (c) of section 202 apply to such assist-  
13          ance in the same manner as such paragraphs apply  
14          to the provision of medical assistance under that sec-  
15          tion.

16          (d) SUNSET.—No medical assistance may be provided  
17          under this section for any month beginning after Decem-  
18          ber 31, 2002.

19      **SEC. 204. TEMPORARY INCREASES OF MEDICAID FMAP FOR**  
20                                      **FISCAL YEAR 2002.**

21          (a) PERMITTING MAINTENANCE OF FISCAL YEAR  
22          2001 FMAP.—Notwithstanding any other provision of  
23          law, but subject to subsection (d), if the FMAP deter-  
24          mined without regard to this section for a State for fiscal  
25          year 2002 is less than the FMAP as so determined for

1 fiscal year 2001, the FMAP for the State for fiscal year  
 2 2001 shall be substituted for the State's FMAP for fiscal  
 3 year 2002, before the application of this section.

4 (b) GENERAL 1.50 PERCENTAGE POINTS IN-  
 5 CREASE.—Notwithstanding any other provision of law, but  
 6 subject to subsections (d) and (e), for each State for each  
 7 calendar quarter in fiscal year 2002, the FMAP (taking  
 8 into account the application of subsection (a)) shall be in-  
 9 creased by 1.50 percentage points.

10 (c) FURTHER INCREASE FOR STATES WITH HIGH  
 11 UNEMPLOYMENT RATES.—

12 (1) IN GENERAL.—Notwithstanding any other  
 13 provision of law, but subject to subsections (d) and  
 14 (e), the FMAP for a high unemployment State for  
 15 a calendar quarter in fiscal year 2002 (and any sub-  
 16 sequent calendar quarter in such fiscal year regard-  
 17 less of whether the State continues to be a high un-  
 18 employment State for a calendar quarter in such fis-  
 19 cal year) shall be increased (after the application of  
 20 subsections (a) and (b)) by 1.50 percentage points.

21 (2) HIGH UNEMPLOYMENT STATE.—For pur-  
 22 poses of this subsection, a State is a high unemploy-  
 23 ment State for a calendar quarter if, for any 3 con-  
 24 secutive months beginning on or after June 2001  
 25 and ending with the second month before the begin-

1       ning of the calendar quarter, the State has an unem-  
 2       ployment rate that exceeds the national average un-  
 3       employment rate. Such unemployment rates for such  
 4       months shall be determined based on publications of  
 5       the Bureau of Labor Statistics of the Department of  
 6       Labor.

7       (d) 1-YEAR INCREASE IN CAP ON MEDICAID PAY-  
 8       MENTS TO TERRITORIES.—Notwithstanding any other  
 9       provision of law, with respect to fiscal year 2002, the  
 10      amounts otherwise determined for Puerto Rico, the Virgin  
 11      Islands, Guam, the Northern Mariana Islands, and Amer-  
 12      ican Samoa under section 1108 of the Social Security Act  
 13      (42 U.S.C. 1308) shall each be increased by an amount  
 14      equal to 3.093 percentage points of such amounts.

15      (e) SCOPE OF APPLICATION.—The increases in the  
 16      FMAP for a State under this section shall apply only for  
 17      purposes of title XIX of the Social Security Act and shall  
 18      not apply with respect to—

19           (1) disproportionate share hospital payments  
 20           described in section 1923 of such Act (42 U.S.C.  
 21           1396r-4); and

22           (2) payments under titles IV and XXI of such  
 23           Act (42 U.S.C. 601 et seq. and 1397aa et seq.).

24      (f) STATE ELIGIBILITY.—A State is eligible for an  
 25      increase in its FMAP under subsection (b) or (c) only if

1 the eligibility under its State plan under title XIX of the  
 2 Social Security Act (including any waiver under such title  
 3 or under section 1115 of such Act (42 U.S.C. 1315)) is  
 4 no more restrictive than the eligibility under such plan (or  
 5 waiver) as in effect on October 1, 2001.

6 **SEC. 205. DEFINITIONS.**

7 In this title:

8 (1) ADMINISTRATOR.—The term “adminis-  
 9 trator” has the meaning given that term in section  
 10 3(16)(A) of the Employee Retirement Income Secu-  
 11 rity Act of 1974 (29 U.S.C. 1002(16)(A)).

12 (2) COBRA CONTINUATION COVERAGE.—

13 (A) IN GENERAL.—The term “COBRA  
 14 continuation coverage” means coverage under a  
 15 group health plan provided by an employer pur-  
 16 suant to title XXII of the Public Health Service  
 17 Act, section 4980B of the Internal Revenue  
 18 Code of 1986, part 6 of subtitle B of title I of  
 19 the Employee Retirement Income Security Act  
 20 of 1974, or section 8905a of title 5, United  
 21 States Code.

22 (B) APPLICATION IN STATES REQUIRING  
 23 SUCH COVERAGE.—Such term includes such  
 24 continuation coverage provided in a State that  
 25 has enacted a law that requires such continu-

1           ation coverage even though the continuation  
 2           coverage would not otherwise be required under  
 3           the provisions of law referred to in subpara-  
 4           graph (A).

5           (3) COVERED EMPLOYEE.—The term “covered  
 6           employee” has the meaning given that term in sec-  
 7           tion 607(2) of the Employee Retirement Income Se-  
 8           curity Act of 1974 (29 U.S.C. 1167(2)).

9           (4) ELECTION PERIOD.—The term “election pe-  
 10          riod” has the meaning given that term in section  
 11          605(1) of the Employee Retirement Income Security  
 12          Act of 1974 (29 U.S.C. 1165(1)).

13          (5) FEDERAL PUBLIC BENEFIT.—The term  
 14          “Federal public benefit” has the meaning given that  
 15          term in section 401(c) of the Personal Responsibility  
 16          and Work Opportunity Reconciliation Act of 1996 (8  
 17          U.S.C. 1611(c)).

18          (6) FMAP.—The term “FMAP” means the  
 19          Federal medical assistance percentage, as defined in  
 20          section 1905(b) of the Social Security Act (42  
 21          U.S.C. 1396d(b)).

22          (7) GROUP HEALTH PLAN.—The term “group  
 23          health plan” has the meaning given that term in sec-  
 24          tion 2791(a) of the Public Health Service Act (42  
 25          U.S.C. 300gg–91(a)), section 607(1) of the Em-

1        ployee Retirement Income Security Act of 1974 (29  
2        U.S.C. 1167(1)), and section 4980B(g)(2) of the In-  
3        ternal Revenue Code of 1986.

4            (8) HEALTH INSURANCE COVERAGE.—The term  
5        “health insurance coverage” has the meaning given  
6        that term in section 2791(b)(1) of the Public Health  
7        Service Act (42 U.S.C. 300gg–91(b)(1)).

8            (9) MULTIEMPLOYER PLAN.—The term “multi-  
9        employer plan” has the meaning given that term in  
10       section 3(37) of the Employee Retirement Income  
11       Security Act of 1974 (29 U.S.C. 1002(37)).

12           (10) POVERTY LINE.—The term “poverty line”  
13       has the meaning given that term in section  
14       2110(c)(5) of the Social Security Act (42 U.S.C.  
15       1397jj(c)(5)).

16           (11) STATE.—The term “State” has the mean-  
17       ing given such term for purposes of title XIX of the  
18       Social Security Act (42 U.S.C. 1396 et seq.).

19           (12) STATE OR LOCAL PUBLIC BENEFIT.—The  
20       term “State or local public benefit” has the meaning  
21       given that term in section 411(c) of the Personal  
22       Responsibility and Work Opportunity Reconciliation  
23       Act of 1996 (8 U.S.C. 1621(c)).

24           (13) UNINSURED.—

1           (A) IN GENERAL.—The term “uninsured”  
2 means, with respect to an individual, that the  
3 individual is not covered under—

4                   (i) a group health plan;

5                   (ii) health insurance coverage; or

6                   (iii) a program under title XVIII,  
7 XIX, or XXI of the Social Security Act  
8 (other than under such title XIX pursuant  
9 to section 202).

10          (B) EXCLUSION.—Such coverage under  
11 clause (i) or (ii) shall not include coverage con-  
12 sisting solely of coverage of excepted benefits  
13 (as defined in section 2791(c) of the Public  
14 Health Service Act (42 U.S.C. 300gg–91(c)).

**Calendar No. 238**

107TH CONGRESS  
1ST SESSION

**S. 1732**

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**A BILL**

To provide incentives for an economic recovery and relief for victims of terrorism, and for other purposes.

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NOVEMBER 28, 2001

Read the second time and placed on the calendar